

Help YOU help you!

Don't Let Your Policies Drive Customers Away

Your management company could have policies in place that are killing your retention business. 34.1% of your residents, your customers, leave because they have experienced a service failure. 17.3% leave because a problem they had was not handled to their satisfaction. In many cases, these problems arose because a policy or rule was in place that made you unable to meet the needs of your customer. It is no secret that resident retention should be one of your primary areas of focus. However, many apartment management companies have policies that can almost guarantee a resident will eventually move out. Are your policies, rules and requirements hindering your ability to satisfy your resident's needs? You need to help you, and your company, help your efforts by looking more closely at each policy and rule that comes down from your corporate office through the eyes of your customer.

Review your management company policies and rules, and ask yourself:

Does this rule make it easier for our residents to remain with us?

Does this policy make it easier for us to serve our residents?

Is this system or policy the simplest it can be?

If you can't answer "yes" to all three of these questions, it is time to redesign or discard the rule or policy. Simple as that. If the rule is keeping you from satisfying your residents, it wasn't well thought out. I will never forget one management company I worked with early on in my consulting career. They had a policy, which for the life of me I will never understand. It was written and accepted policy that all maintenance requests had to be turned in by the resident, using a form in the office. No phone calls, no faxes – only an original form filled out in the office would be accepted. I tend to ask why a lot when I sense something is off, and the answer I received was "fair housing issues and what not". After I carefully explained to them that the fair housing law made no such requirements for bad policies and wasn't in anyway designed to make a resident's life inconvenient, I got a more telling and interesting answer, "that's just company policy. That's how we do it." It seems that someone misunderstood the "consistency" requirements in fair housing law as meaning inconvenience. I tried to further explain that this policy meant that a busy person, who perhaps traveled frequently or was an early to rise, early to work, home late type may never get to come into the office and turn in a request at all. Meaning this resident, a terrific one as far as I am concerned, could go for weeks, even months, with a pressing maintenance issue in their home going without repair because they couldn't abide by the silly policy. How does this make sense? How surprised would you be when you receive this tenant's notice to vacate?

It is important to eliminate irritants in your services and policies. Mark Sanborn, in *The Ten Practices of Exceptional Service*, relates how frustrating it is that many hotel companies have built in policies that annoy or aggravate their customers. One he mentions is hotels charging for local or 1-800 telephone calls. How ridiculous is that, when you are already likely paying more than \$100 for less than 24 hours stay – especially when the call costs the hotel nothing anyway. More and more savvy hotel chains have started providing local phone calls for free and have experienced increased customer loyalty as a direct result. Simple change of policy with a fantastic result.

How often does the corporate office ask the leasing and on-site teams for suggestions on making the resident's experience better? Who would have better ideas, corporate or on-site? Most policies come down from corporate as a result of a focus group or some sort of audit. Asking the on-site teams how they will play with your customers could solve many problems before they even start. Always remember – the reason the company and community exists is for residents.

Pet policies are another area where policies coming down from corporate aren't realistic or don't reflect the true cost of doing business. Many properties still employ the 20-lbs or under weight restriction because of a mistaken belief that larger breed dogs cause the most damage in apartments. While it is true that a Rottweiler can quickly lay waste to a whole wall of kitchen cabinets, the truth is that large breed dogs are usually less trouble than those pets almost always under 20 pounds – cats. Most seasoned property management professionals are well aware that cats cause nearly 70% of all damages to apartments, yet very few cats are over 20 lbs. Management companies with the more sophisticated breed restriction policies have thought this through and chosen policies that make sense for their customer and the company. This also becomes a marketable hook, which doesn't hurt either.

What about renewals? I can't fathom how many management companies I deal with that only offer a minimum renewal of 12 months. Sure, they may allow people to go month-to-month with an upcharge, but the only lease renewal they sign is for 12 months. So if a customer, a resident, comes in to the office saying, essentially "we have loved it here. We would like to stay. We would like to sign a lease, a binding agreement saying that we will stay with you another 9 months," and you tell the customer no?! Incredible. There aren't too many industries where the company sets the terms of the customers purchase. Can you imagine going into a restaurant, seeing a waiter and having him say "welcome back, thanks for your repeat business. You can only order the crab salad. Nothing else." The customer should set the terms. We should be more than happy to accept them. A lease renewal is a pat on the back, an indication that you did right by this resident.

The point of all this? Your management company and apartment community needs to be set up so that you can easily and conveniently serve your customer. All rules, policies, procedures and paperwork need to be evaluated from the customers point of view. Policies or rules that don't past muster should be looked at seriously and perhaps even tossed out. Turning your company into a customer-focused one will raise your retention levels and incomes.



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